

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	) Chapter 11
)
W. R. GRACE & CO., <u>et al.</u> , ¹	) Case No. 01-01139 (JKF)
	) (Jointly Administered)
)
Debtors.)
	) Hearing Date: September 26, 2011 at 10:00 a.m.
	) (prevailing Eastern time)

**SUMMARY OF FORTIETH QUARTERLY INTERIM VERIFIED APPLICATION OF
KIRKLAND & ELLIS LLP FOR COMPENSATION FOR SERVICES AND
REIMBURSEMENT OF EXPENSES AS BANKRUPTCY COUNSEL TO
W. R. GRACE & CO., ET AL., FOR THE INTERIM PERIOD
FROM JANUARY 1, 2011 THROUGH MARCH 31, 2011**

Name of Applicant:	<u>Kirkland & Ellis LLP</u>
Authorized to Provide Professional Services to:	<u>W. R. Grace & Co., et al., Debtors and Debtors-in-Possession</u>
Date of Retention:	<u>Retention Order entered May 3, 2001, effective as of April 2, 2001</u>
Period for which compensation and reimbursement is sought:	<u>January 1, 2011 through March 31, 2011</u>
Amount of Compensation sought as actual, reasonable, and necessary:	<u>\$1,419,734.00</u>
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	<u>\$40,150.39</u>

This is a: monthly x quarterly application.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, and H-G Coal Company.

Previous fee applications:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 – 4/30/01	\$626,079.00	\$32,439.84	Interim approval	Interim approval
June 29, 2001	5/1 – 5/31/01	\$567,151.00	\$77,487.86	Interim approval	Interim approval
July 31, 2001	6/1 – 6/30/01	\$560,569.50	\$45,466.13	Interim approval	Interim approval
July 31, 2001	April – June, 2001	\$1,753,799.50	\$155,393.83	\$1,753,799.50 ²	\$155,393.83
August 28, 2001	7/1 – 7/31/01	\$476,582.50	\$25,312.13	Interim approval	Interim approval
September 28, 2001	8/1 – 8/31/01	\$472,334.50	\$29,022.59	Interim approval	Interim approval
October 30, 2001	9/1 – 9/30/01	\$443,617.50	\$27,147.47	Interim approval	Interim approval
November 7, 2001	July – September, 2001	\$1,392,534.50	\$81,482.19	\$1,392,534.50 ²	\$81,482.19
December 11, 2001	10/1 – 10/31/01	\$493,074.00	\$27,724.54	Interim approval	Interim approval
December 29, 2001	11/1 – 11/30/01	\$524,980.00	\$29,678.21	Interim approval	Interim approval
January 31, 2002	12/1 – 12/31/01	\$405,278.50	\$27,276.95	Interim approval	Interim approval
February 7, 2002	October – December, 2001	\$1,423,332.50	\$84,679.70	\$1,419,127.00 ²	\$84,679.70
March 4, 2002	1/1 – 1/31/02	\$439,056.00	\$32,279.54	Interim approval	Interim approval
March 27, 2002	2/1 – 2/28/02	\$412,304.00	\$18,475.64	Interim approval	Interim approval
May 2, 2002	3/1 – 3/31/02	\$430,342.50	\$51,759.20	Interim approval	Interim approval
June 10, 2002	January – March, 2002	\$1,281,702.50	\$102,514.38	\$1,281,702.50 ³	\$101,656.38
June 10, 2002	4/1 – 4/30/02	\$410,702.50	\$25,286.05	Interim approval	Interim approval
July 2, 2002	5/1 – 5/31/02	\$335,280.50	\$25,556.83	Interim approval	Interim approval
August 8, 2002	6/1 – 6/30/02	\$243,127.00	\$16,326.36	Interim approval	Interim approval
September 3, 2002	April – June, 2002	\$989,110.00	\$67,169.24	\$981,666.50 ⁴	\$67,169.24
September 11, 2002	7/1 – 7/31/02	\$335,129.00	\$28,504.48	Interim approval	Interim approval
October 2, 2002	8/1 – 8/31/02	\$344,619.00	\$86,047.20	Interim approval	Interim approval
October 30, 2002	9/1 – 9/30/02	\$238,876.50	\$20,882.49	Interim approval	Interim approval
November 27, 2002	July – September, 2002	\$918,624.50	\$135,434.17	\$918,624.50 ⁵	\$134,478.90
December 6, 2002	10/1 – 10/31/02	\$207,778.00	\$7,769.74	Interim approval	Interim approval
January 13, 2003	11/1 – 11/30/02	\$122,419.00	\$4,732.30	Interim approval	Interim approval
January 30, 2003	12/1 – 12/31/02	\$129,243.50	\$6,093.80	Interim approval	Interim approval
March 4, 2003	October – December, 2002	\$459,440.50	\$18,595.84	\$459,440.50 ⁶	\$18,467.74
March 4, 2003	1/1 – 1/31/03	\$162,033.00	\$6,383.16	Interim approval	Interim approval
April 2, 2003	2/1 – 2/28/03	\$215,511.50	\$3,784.70	Interim approval	Interim approval
April 29, 2003	3/1 – 3/31/03	\$146,603.00	\$6,713.84	Interim approval	Interim approval

² The fees and expenses requested in the April-June, 2001, July-September, 2001 and October-December, 2001, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on November 29, 2002.

³ The fees and expenses requested in the January-March, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on October 9, 2002.

⁴ The fees and expenses requested in the April-June, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on November 29, 2002.

⁵ The fees and expenses requested in the July-September, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on March 14, 2003.

⁶ The fees and expenses requested in the October-December, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on July 28, 2003.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 15, 2003	January – March, 2003	\$524,147.50	\$16,881.70	\$524,045.50 ⁷	\$16,881.70
June 3, 2003	4/1 – 4/30/03	\$135,130.00	\$2,786.42	Interim approval	Interim approval
July 11, 2003	5/1 – 5/31/03	\$109,408.00	\$6,546.04	Interim approval	Interim approval
July 31, 2003	6/1 – 6/30/03	\$115,099.00	\$1,925.86	Interim approval	Interim approval
August 27, 2003	April – June, 2003	\$359,637.00	\$11,258.32	\$357,346.00 ⁸	\$11,183.48
September 5, 2003	7/1 – 7/31/03	\$197,495.50	\$9,235.33	Interim approval	Interim approval
October 1, 2003	8/1 – 8/31/03	\$178,910.50	\$7,009.66	Interim approval	Interim approval
November 6, 2003	9/1 – 9/30/03	\$157,200.00	\$3,817.57	Interim approval	Interim approval
November 18, 2003	July – September, 2003	\$533,606.00	\$20,062.56	\$533,606.00 ⁹	\$20,062.56
November 26, 2003	10/1 – 10/31/03	\$251,093.50	\$7,115.96	Interim approval	Interim approval
December 29, 2003	11/1 – 11/30/03	\$187,914.00	\$4,969.88	Interim approval	Interim approval
February 2, 2004	12/1 – 12/31/03	\$317,880.00	\$8,631.60	Interim approval	Interim approval
February 25, 2004	October – December, 2003	\$756,887.50	\$20,717.44	\$756,838.00 ¹⁰	\$20,717.44
March 5, 2004	1/1 – 1/31/04	\$524,446.00	\$32,428.07	Interim approval	Interim approval
April 2, 2004	2/1 – 2/29/04	\$274,589.50	\$10,852.51	Interim approval	Interim approval
May 3, 2004	3/1 – 3/31/04	\$337,945.00	\$13,159.10	Interim approval	Interim approval
May 17, 2004	January – March, 2004	\$1,136,980.50	\$56,439.68	\$1,134,755.00 ¹¹	\$56,439.68
June 1, 2004	4/1 – 4/30/04	\$280,547.50	\$10,895.93	Interim approval	Interim approval
July 1, 2004	5/1 – 5/31/04	\$213,906.00	\$9,502.49	Interim approval	Interim approval
September 2, 2004	6/1 – 6/30/04	\$430,246.50	\$15,235.72	Interim approval	Interim approval
October 6, 2004	April – June, 2004	\$924,700.00	\$35,634.14	\$918,960.50 ¹²	\$35,557.55
September 17, 2004	7/1 – 7/31/04	\$599,563.50	\$27,869.76	Interim approval	Interim approval
October 7, 2004	8/1 – 8/31/04	\$793,285.00	\$45,729.42	Interim approval	Interim approval
November 3, 2004	9/1 – 9/30/04	\$913,771.00	\$32,811.19	Interim approval	Interim approval
November 17, 2004	July – September, 2004	\$2,306,619.50	\$106,410.37	\$2,298,879.00 ¹³	\$105,176.56
December 7, 2004	10/1 – 10/31/04	\$842,268.50	\$38,703.13	Interim approval	Interim approval
January 7, 2004	11/1 – 11/30/04	\$581,027.00	\$35,469.12	Interim approval	Interim approval
February 1, 2005	12/1 – 12/31/04	\$863,104.50	\$38,461.17	Interim approval	Interim approval

⁷ The fees and expenses requested in the January-March, 2003, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on September 22, 2003.

⁸ The fees and expenses requested in the April-June, 2003, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on December 15, 2003.

⁹ The fees and expenses requested in the July-September, 2003, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on April 26, 2004.

¹⁰ The fees and expenses requested in the October-December, 2003, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on June 16, 2004.

¹¹ The fees and expenses requested in the January-March, 2004, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on September 27, 2004.

¹² The fees and expenses requested in the April-June, 2004, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on January 25, 2005.

¹³ The fees and expenses requested in the July-September, 2004, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on March 22, 2005.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
February 14, 2005	October – December, 2004	\$2,286,400.00	\$112,633.42	\$2,279,008.50 ¹⁴	\$110,200.64
March 18, 2005	1/1 – 1/31/05	\$1,214,802.50	\$65,721.17	Interim approval	Interim approval
April 15, 2005	2/1 – 2/28/05	\$717,562.00	\$46,304.21	Interim approval	Interim approval
May 19, 2005	3/1 – 3/31/05	\$916,504.00	\$50,822.73	Interim approval	Interim approval
June 15, 2005	January – March, 2005	\$2,848,868.50	\$162,848.11	\$2,833,566.00 ¹⁵	\$162,482.21
June 7, 2005	4/1 – 4/30/05	\$862,337.00	\$32,392.41	Interim approval	Interim approval
June 29, 2005	5/1 – 5/31/05	\$852,424.50	\$52,685.55	Interim approval	Interim approval
August 5, 2005	6/1 – 6/30/05	\$1,181,036.00	\$58,504.79	Interim approval	Interim approval
August 8, 2005	April - June, 2005	\$2,895,797.50	\$143,582.75	\$2,894,660.00 ¹⁶	\$143,530.87
September 9, 2005	7/1 - 7/31/05	\$1,740,148.50	\$155,036.60	Interim approval	Interim approval
September 28, 2005	8/1 - 8/31/05	\$1,451,595.50	\$95,151.93	Interim approval	Interim approval
October 28, 2005	9/1 - 9/30/05	\$1,471,412.50	\$128,814.69	Interim approval	Interim approval
October 28, 2005	July – September, 2005	\$4,663,156.50	\$379,003.22	\$4,655,239.50 ¹⁷	\$378,588.48
November 29, 2005	10/1/05 - 10/31/05	\$1,602,349.50	\$111,318.89	Interim approval	Interim approval
December 29, 2005	11/1/05 - 11/30/05	\$1,743,406.00	\$182,798.39	Interim approval	Interim approval
January 28, 2006	12/1/05 - 12/31/05	\$1,638,659.50	\$161,888.24	Interim approval	Interim approval
February 14, 2006	October - December, 2005	\$4,984,415.00	\$456,005.52	\$4,978,349.00 ¹⁸	\$453,367.08
February 28, 2006	1/1/06 - 1/31/06	\$1,667,688.00	\$176,100.89	Interim approval	Interim approval
March 28, 2006	2/1/06 - 2/28/06	\$1,669,067.50	\$395,113.02	Interim approval	Interim approval
April 28, 2006	3/1/06 - 3/31/06	\$1,615,330.00	\$685,462.58	Interim approval	Interim approval
May 15, 2006	January - March, 2006	\$4,952,085.50	\$1,256,676.49	\$4,942,401.50 ¹⁹	\$1,256,429.49
May 30, 2006	4/1/06 - 4/30/06	\$1,628,876.50	\$814,117.99	Interim approval	Interim approval
June 28, 2006	5/1/06 - 5/31/06	\$1,800,762.00	\$311,657.73	Interim approval	Interim approval
July 28, 2006	6/1/06 - 6/30/06	\$1,666,537.00	\$207,374.07	Interim approval	Interim approval
August 14, 2006	April - June, 2006	\$5,096,175.75	\$1,333,149.79	\$5,096,175.50 ²⁰	\$1,331,919.73
August 28, 2006	7/1/06 - 7/31/06	\$2,026,266.00	\$155,509.57	Interim approval	Interim approval

¹⁴ The fees and expenses requested in the October-December, 2004, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on June 29, 2005.

¹⁵ The fees and expenses requested in the January-March, 2005, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on September 26, 2005.

¹⁶ The fees and expenses requested in the April 1, 2005 through June 30, 2005, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on December 19, 2005.

¹⁷ The fees and expenses requested in the July-September, 2005 interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on March 27, 2006.

¹⁸ The fees and expenses requested in the October-December, 2005 interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on June 16, 2006.

¹⁹ The fees and expenses requested in the January-March, 2006, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on September 25, 2006.

²⁰ The fees and expenses requested in the April-June, 2006, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on December 18, 2006.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
September 28, 2006	8/1/06- 8/31/06	\$2,458,300.00	\$377,534.56	Interim approval	Interim approval
October 30, 2006	9/1/06 - 9/30/06	\$1,508,315.00	\$454,899.58	Interim approval	Interim approval
November 14, 2006	July - September, 2006	\$5,992,881.00	\$987,943.71	\$5,984,268.75 ²¹	\$986,255.71
November 28, 2006	10/1/06 - 10/31/06	\$1,732,139.00	\$698,068.49	Interim approval	Interim approval
December 28, 2006	11/1/06 - 11/30/06	\$1,846,984.50	\$860,948.29	Interim approval	Interim approval
January 29, 2006	12/1/06 - 12/31/06	\$1,577,574.50	\$1,171,910.97	Interim approval	Interim approval
February 14, 2007	October - December, 2006	\$5,156,698.00	\$2,730,927.75	\$5,155,238.00 ²²	\$2,730,927.75
February 28, 2007	1/1/07 - 1/31/07	\$1,653,083.50	\$505,470.24	Interim approval	Interim approval
March 28, 2007	2/1/07 - 2/28/07	\$1,855,844.00	\$793,394.48	Interim approval	Interim approval
April 30, 2007	3/1/07 - 3/31/07	\$2,043,431.50	\$614,588.91	Interim approval	Interim approval
May 15, 2007	January - March, 2007	\$5,552,359.00	\$1,913,453.63	\$5,547,606.50 ²³	\$1,913,453.63
May 29, 2007	4/1/07 - 4/30/07	\$1,617,793.00	\$1,471,980.14	Interim approval	Interim approval
June 28, 2007	5/1/07 - 5/31/07	\$1,886,409.50	\$1,580,009.04	Interim approval	Interim approval
July 30, 2007	6/1/07 - 6/30/07	\$2,301,815.00	\$2,237,072.31	Interim approval	Interim approval
August 14, 2007	April - June, 2007	\$5,552,359.00	\$1,913,453.63	\$5,801,255.00 ²⁴	\$5,289,061.49
August 28, 2007	7/1/07 - 7/31/07	\$2,031,978.00	\$3,054,735.85	Interim approval	Interim approval
September 28, 2007	8/1/07 8/31/07	\$2,141,450.50	\$1,524,583.81	Interim approval	Interim approval
October 29, 2007	9/1/07 - 9/30/07	\$1,851,837.50	\$2,068,988.69	Interim approval	Interim approval
November 14, 2007	July - September, 2007	\$6,025,266.00	\$6,648,308.35	\$6,009,675.50 ²⁵	\$6,648,308.35
November 28, 2007	10/1/07 - 10/31/07	\$2,819,249.00	\$1,902,419.07	Interim approval	Interim approval
December 28, 2007	11/1/07 - 11/30/07	\$2,218,978.50	\$1,307,904.30	Interim approval	Interim approval
January 28, 2008	12/1/07 - 12/31/07	\$2,145,512.00	\$861,447.64	Interim approval	Interim approval
February 14, 2008	October - December, 2007	\$7,183,739.50	\$4,071,771.01	\$7,179,358.50 ²⁶	\$4,071,035.37
February 28, 2008	1/1/08- 1/31/08	\$2,982,614.00	\$1,437,331.45	Interim approval	Interim approval
March 28, 2008	2/1/08 - 2/29/08	\$1,556,573.00	\$1,323,655.09	Interim approval	Interim approval
April 28, 2008	3/1/08 - 3/31/08	\$2,723,985.00	\$1,981,870.63	Interim approval	Interim approval
May 15, 2008	January - March, 2008	\$7,263,172.00	\$4,742,857.17	\$7,258,924.50 ²⁷	\$4,740,246.26

²¹ The fees and expenses requested in the July-September, 2006, interim monthly Applications were approved on an interim basis pursuant to the amended order entered by this Court on May 3, 2007.

²² The fees and expenses requested in October-December, 2006, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on June 20, 2007.

²³ The fees and expenses requested in January-March, 2007, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on September 24, 2007.

²⁴ The fees and expenses requested in April-June, 2007, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on December 13, 2007.

²⁵ The fees and expenses requested in July-September, 2007, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on March 12, 2008.

²⁶ The fees and expenses requested in October-December, 2007, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on June 23, 2008.

²⁷ The fees and expenses requested in January-March, 2008, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on October 1, 2008.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 28, 2008	4/1/08 - 4/30/08	\$1,926,854.00	\$776,768.04	Interim approval	Interim approval
June 30, 2008	5/1/08 - 5/31/08	\$1,903,907.50	\$912,081.39	Interim approval	Interim approval
July 28, 2008	6/1/08 - 6/30/08	\$2,007,344.00	\$1,048,779.70	Interim approval	Interim approval
August 14, 2008	April - June, 2008	\$5,838,105.50	\$2,737,629.13	\$5,837,573.00 ²⁸	\$2,735,591.33
August 28, 2008	7/1/08 - 7/31/08	\$2,028,629.50	\$282,406.92	Interim approval	Interim approval
September 29, 2008	8/1/08 - 8/31/08	\$2,383,467.50	\$150,525.88	Interim approval	Interim approval
October 28, 2008	9/1/08 - 9/30/08	\$2,336,428.00	\$203,984.33	Interim approval	Interim approval
November 14, 2008	July - September, 2008	\$6,748,525.00	\$636,917.13	\$6,746,495.50 ²⁹	\$633,229.34
December 1, 2008	10/1/08 - 10/31/08	\$2,671,560.00	\$372,472.73	Interim approval	Interim approval
December 29, 2008	11/1/08 - 11/30/08	\$2,574,249.50	\$445,054.32	Interim approval	Interim approval
January 29, 2009	12/1/08 - 12/31/08	\$2,495,551.00	\$472,978.64	Interim approval	Interim approval
February 25, 2009	October - December, 2008	\$7,741,360.50	\$1,290,505.69	\$7,724,905.50 ³⁰	\$1,289,347.54
March 12, 2009	1/1/09 - 1/31/09	\$3,260,332.50	\$609,498.37	Interim approval	Interim approval
April 3, 2009	2/1/09 - 2/28/09	\$4,249,447.50	\$1,252,380.41	Interim approval	Interim approval
May 6, 2009	3/1/09 - 3/31/09	\$3,595,406.50	\$1,103,383.42	Interim approval	Interim approval
May 15, 2009	January - March, 2009	\$11,105,186.50	\$2,965,262.20	\$10,198,760.20 ³¹	\$2,964,767.50
June 16, 2009	4/1/09 - 4/30/09	\$3,548,749.50	\$1,007,427.71	Interim approval	Interim approval
July 10, 2009	5/1/09 - 5/31/09	\$1,770,780.50	\$837,016.14	Interim approval	Interim approval
August 13, 2009	6/1/09 - 6/30/09	\$1,674,270.50	\$472,533.36	Interim approval	Interim approval
August 28, 2009	April - June, 2009	\$6,993,800.50	\$2,316,977.21	\$6,594,833.00 ³²	\$2,315,190.63
September 14, 2009	7/1/09 - 7/31/09	\$1,750,805.00	\$342,565.22	Interim approval	Interim approval
October 9, 2009	8/1/09 - 8/31/09	\$2,348,663.50	\$252,684.42	Interim approval	Interim approval
November 16, 2009	9/1/09 - 9/30/09	\$2,309,415.15	\$571,296.46	Interim approval	Interim approval
December 9, 2009	July - September, 2009	\$6,408,883.65	\$1,166,546.10	\$6,407,674.15 ³³	\$1,166,546.10
December 10, 2009	10/1/09 - 10/31/09	\$1,552,059.00	\$728,470.61	Interim approval ³⁴	Interim approval
December 30, 2009	11/1/09 - 11/30/09	\$1,035,613.50	\$105,842.85	Interim approval	Interim approval

²⁸ The fees and expenses requested in April-June, 2008, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on December 17, 2008.

²⁹ The fees and expenses requested in July-September, 2008, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on April 1, 2009.

³⁰ The fees and expenses requested in the October-December, 2008, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on July 7, 2009.

³¹ The fees and expenses requested in the January-March, 2009, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on September 28, 2009.

³² The fees and expenses requested in the April-June, 2009, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on December 11, 2009.

³³ The fees and expenses requested in the July-September, 2009, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on March 19, 2010.

³⁴ The fees and expenses requested in the October-December, 2010, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on June 7, 2010.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
February 3, 2010	12/1/09 - 12/31/09	\$800,220.50	\$132,479.68	Interim approval	Interim approval
February 23, 2010	October - December, 2009	\$3,387,893.00	\$966,793.14	\$3,387,163.00 ³⁵	\$959,355.64
March 3, 2010	1/1/10 - 1/31/10	\$878,908.50	\$102,534.19	Interim approval	Interim approval
April 2, 2010	2/1/10 - 2/28/10	\$253,214.00	\$119,943.08	Interim approval	Interim approval
May 4, 2010 ³⁶	3/1/10 - 3/31/10	\$371,105.00	\$7,473.01	Interim approval	Interim approval
June 23, 2010	January - March, 2010	\$1,503,227.50	\$229,950.28	\$1,503,227.50 ³⁷	\$228,637.78
June 2, 2010	4/1/10 - 4/30/10	\$415,367.50	\$357,591.89	\$332,294.00	\$357,591.89
July 2, 2010	5/1/10 - 5/31/10	\$283,692.50	\$6,798.23	\$226,954.00	\$6,798.23
August 2, 2010	6/1/10 - 6/30/10	\$280,979.50	\$36,890.87	\$224,783.60	\$36,890.87
August 30, 2010	7/1/10 - 7/31/10	\$228,163.50	\$9,650.96	\$182,530.80	\$9,650.96
September 29, 2010 ³⁸	8/1/10 - 8/31/10	\$171,565.00	\$8,993.38	\$137,252.00	\$8,993.38
September 30, 2010	April - June, 2010	\$980,039.50	\$401,280.99	\$980,039.50 ³⁹	\$401,280.99
November 4, 2010 ⁴⁰	9/1/10 - 9/30/10	\$163,032.00	\$4,638.39	\$130,425.60	\$4,638.39
December 2, 2010	10/1/10 - 10/31/10	\$119,020.00	\$5,445.10	\$65,216.00	\$5,445.10
December 2, 2010	July - September, 2010	\$562,760.50	\$23,282.73	\$562,760.50 ⁴¹	\$17,430.32
January 11, 2011	11/1/10 - 11/30/10	\$200,476.00	\$4,718.66	\$160,380.80	\$4,718.66
February 11, 2011	12/1/10 - 12/31/10	\$448,838.50	\$11,444.53	\$359,070.80	\$11,444.53
March 15, 2011	1/1/11 - 1/31/11	\$440,760.00	\$11,592.81	\$352,608.00	\$11,592.81
March 21, 2011	October - December, 2010 ⁴²	\$768,334.50	\$21,608.29	Pending	Pending

³⁵ The fees and expenses requested in the October-December, 2010, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on June 7, 2010.

³⁶ On May 24, 2010, K&E filed an *Amendment to Kirkland & Ellis LLP's March 2010 Fee Application as Bankruptcy Counsel to W. R. Grace & Co., et al., to Take Voluntary Reduction of Fees for Certain Time and Expenses Billed* [Docket No. 24830] (the "March 2010 Amendment"). The fees and expenses listed reflect the reductions noted in the March 2010 Amendment.

³⁷ The fees and expenses requested in the January-March, 2010, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on September 13, 2010.

³⁸ On October 1, 2010, K&E filed an *Amendment to Kirkland & Ellis LLP's August 2010 Fee Application as Bankruptcy Counsel to W. R. Grace & Co., et al.* [Docket No. 25545] (the "August 2010 Amendment"). The fees listed reflect the reduction noted in the August 2010 Amendment.

³⁹ The fees and expenses requested in the April-June, 2010, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on December 10, 2010.

⁴⁰ On November 19, 2010, K&E filed an *Amendment to Kirkland & Ellis LLP's September 2010 Fee Application as Bankruptcy Counsel to W. R. Grace & Co., et al.* [Docket No. 25789] (the "September 2010 Amendment"). The fees listed reflect the reduction noted in the September 2010 Amendment.

⁴¹ The fees and expenses requested in the July-September, 2010, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on March 25, 2011.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
April 8, 2011	2/1/11 - 2/28/11	\$532,554.50	\$16,245.21	\$426,043.60	\$16,245.21
April 28, 2011	3/1/11 - 3/31/11	\$446,419.50	\$12,312.37	\$357,135.60	\$12,312.37

The periods for objecting to the fees and expense reimbursement requested in the January Fee Application and the February Fee Application passed without any objections being filed, whereupon K&E filed certificates of no objection with the Court and the Debtors have either paid or will pay interim compensation and reimbursement of 80% of the fees and 100% of the expenses requested. The objection deadline for the March Fee Application expires on May 18, 2011.

The K&E attorneys who rendered professional services in these cases during the Fee Period are:⁴³

Name of Professional Person	Position with the Applicant and Year Admitted		Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Kristina Alexander	Associate	2010	Restructuring	\$475.00	3.00	\$1,425.00
Jeffrey M. Armington	Associate	2009	Restructuring	\$475.00	32.60	\$15,485.00
Deanna D. Boll	Partner	1998	Restructuring	\$775.00	364.10	\$282,177.50
Justin S. Brooks	Associate	2009	Litigation	\$535.00	5.30	\$2,835.50
Holly Bull	Of Counsel	1997	Restructuring	\$605.00	22.50	\$13,612.50
Dominic DeMatties	Partner	2003	Employee Benefits	\$650.00	13.70	\$8,905.00
Matthew F. Dexter	Partner	2005	Litigation	\$665.00	1.90	\$1,263.50
John Donley	Partner	1985	Litigation	\$865.00	350.40	\$303,096.00
Lisa G. Esayian	Partner	1991	Litigation	\$815.00	179.20	\$146,048.00
Jeffrey Gentleman	Partner	1974	Restructuring	\$730.00	158.10	\$115,413.00
Britt C. Grant	Associate	2008	Litigation	\$540.00	4.10	\$2,214.00
Christopher T. Greco	Associate	2007	Restructuring	\$590.00	2.50	\$1,475.00
Vicki V. Hood	Partner	1977	Employee Benefits	\$970.00	0.90	\$873.00
Maura Klugman	Associate	2009	Litigation	\$535.00	7.30	\$3,905.50

⁴² The hearing for the *Thirty-Ninth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel to W. R. Grace & Co., et al., for the Interim Period from October 1, 2010 Through December 31, 2010* is scheduled for June 20, 2011.

⁴³ Any capitalized terms not defined herein have the meaning ascribed to them in the *Fortieth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel to W. R. Grace & Co., et al., for the Interim Period From January 1, 2011 Through March 31, 2011*.

Name of Professional Person	Position with the Applicant and Year Admitted		Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Megan M. Kokontis	Associate	2010	Restructuring	\$410.00	30.60	\$12,546.00
Nate Kritzer	Associate	2009	Litigation	\$470.00	12.90	\$6,063.00
Christopher Landau, P.C.	Partner	1990	Litigation	\$995.00	4.00	\$3,980.00
Elli Leibenstein	Partner	1992	Litigation	\$775.00	3.30	\$2,557.50
Todd F. Maynes, P.C.	Partner	1988	Taxation	\$995.00	13.50	\$13,432.50
Adam C. Paul	Partner	1997	Restructuring	\$795.00	366.40	\$291,288.00
Sarah Seewer	Partner	2002	Restructuring	\$695.00	26.50	\$18,417.50
Brian T. Stansbury	Partner	2002	Litigation	\$665.00	0.60	\$399.00
LeighAnne Thompson	Associate	2010	Employee Benefits	\$360.00	21.70	\$7,812.00
Brad Weiland	Associate	2008	Restructuring	\$540.00	49.70	\$26,838.00
Totals for Attorneys				1,674.80		\$1,282,062.00

The paraprofessionals of K&E who rendered professional services in these cases during the Fee Period are:

Name of Paraprofessional Person	Position with the Applicant and Number of Years as a Paraprofessional		Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Andrew Brniak	Case Assistant	2 Years	Restructuring	\$165.00	15.10	\$2,491.50
Gayle M. Lodygowski	Case Assistant	21 Years	Litigation	\$160.00	176.00	\$28,160.00
Kimberly K. Love	Legal Assistant	23 Years	Litigation	\$280.00	354.40	\$99,232.00
Maureen McCarthy	Legal Assistant	8 Years	Restructuring	\$260.00	18.40	\$4,784.00
Mathias M. Mondino	Case Assistant	9 Months	Litigation	\$165.00	6.50	\$1,072.50
Robert Orren	Legal Assistant	9 Months	Restructuring	\$230.00	2.30	\$529.00
Carrie Sroka	Legal Assistant	8 Months	Restructuring	\$230.00	6.10	\$1,403.00
Totals for Paraprofessionals				578.80		\$137,672.00

Compensation by Matter

Matter Number	Matter Description	Total Billed Hours	Total Fees Requested
18	Other	10.90	\$8,465.50
20	Case Administration	14.30	\$5,550.50
23	Business Operations	2.80	\$2,170.00
30	Hearings	91.80	\$57,762.00
32	Fee Applications, Applicant	54.00	\$28,992.50
37	Plan and Disclosure Statement	2015.30	\$1,268,685.00
41	Tax Issues	13.50	\$13,432.50
42	Travel non-working	35.20	\$26,650.50
59	Lyondell Reclamation Claims	0.50	\$260.50
60	Delphi Preference Defense	15.30	\$7,765.00
Totals for Matters		2,253.60	\$1,419,734.00

Total Fees Requested for the Fee Period	\$1,419,734.00
Blended Rate	\$629.98

EXPENSE SUMMARY

Service Description	Amount
Airfare	\$6,261.62
Appearance Fees	\$741.00
Color Prints	\$354.00
Computer Database Research	\$11,107.46
Information Broker Doc/Svcs	\$1,161.50
Local Transportation	\$72.00
Outside Computer Services	\$2,529.16
Outside Copy/Binding Services	\$11.50
Outside Messenger Services	\$628.03
Overnight Delivery	\$359.53
Professional Fees	\$5,637.50
Scanned Images	\$158.10
Standard Copies or Prints	\$4,548.70
Third Party Telephone Charges	\$147.90
Transportation to/from airport	\$2,134.75
Travel Expense	\$3,666.87
Travel Meals	\$630.77
Total	\$40,150.39

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	) Chapter 11
)
W. R. GRACE & CO., et al. ¹	) Case No. 01-01139 (JKF)
	) (Jointly Administered)
)
Debtors.)
	) Hearing Date: September 26, 2011 at 10:00 a.m.
	) (prevailing Eastern time)

**FORTIETH QUARTERLY INTERIM VERIFIED APPLICATION OF
KIRKLAND & ELLIS LLP FOR COMPENSATION FOR SERVICES AND
REIMBURSEMENT OF EXPENSES AS BANKRUPTCY COUNSEL
TO W. R. GRACE & CO., ET AL., FOR THE INTERIM PERIOD
FROM JANUARY 1, 2011 THROUGH MARCH 31, 2011**

Pursuant to sections 327, 330 and 331 of title 11 of the United States Code (as amended, the “Bankruptcy Code”), Fed. R. Bankr. P. 2016, the Retention Order (as defined below), the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals and Official Committee Members (the “Interim Compensation Order”), the Amended Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food ‘N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, and H-G Coal Company.

Reimbursement of Expenses for Professionals and Official Committee Members (the “Amended Interim Compensation Order”) and Del. Bankr. LR 2016-2, the law firm of Kirkland & Ellis LLP (“Kirkland & Ellis” or “K&E”), bankruptcy counsel for the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) in their chapter 11 cases, hereby applies for an order allowing it (i) compensation in the amount of \$1,419,734.00 for the reasonable and necessary legal services K&E has rendered to the Debtors and (ii) reimbursement for the actual and necessary expenses that K&E has incurred in the amount of \$40,150.39 (the “Fortieth Quarterly Fee Application”), in each case for the interim quarterly period from January 1, 2011, through March 31, 2011 (the “Fee Period”). In support of this Fortieth Quarterly Fee Application, K&E respectfully states as follows:

BACKGROUND

Retention of Kirkland & Ellis

1. On April 2, 2001 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). On April 2, 2001, the Court entered an order procedurally consolidating the Chapter 11 Cases for administrative purposes only. Since the Petition Date, the Debtors have continued to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. By this Court’s order dated May 3, 2001, the Debtors were authorized to retain K&E as their counsel, effective as of the Petition Date, with regard to the filing and prosecution of the Chapter 11 Cases and all related matters (the “Retention Order”). The Retention Order authorizes the Debtors to compensate K&E at K&E’s hourly rates charged for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses that it

incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, all applicable local rules and orders of this Court.

Monthly Interim Fee Applications Covered Herein

3. Pursuant to the procedures set forth in the Interim Compensation Order, as amended by the Amended Interim Compensation Order, professionals may apply for monthly compensation and reimbursement (each such application, a “Monthly Fee Application”), and the notice parties listed in the Amended Interim Compensation Order may object to such request. If no notice party objects to a professional’s Monthly Fee Application within 20 days after the date of service of the Monthly Fee Application, the applicable professional may submit to the Court a certification of no objection whereupon the Debtors are authorized to pay interim compensation and reimbursement of 80% of the fees and 100% of the expenses requested.

4. Furthermore, and also pursuant to the Amended Interim Compensation Order, within 45 days of the end of each quarter, professionals are to file and serve upon the notice parties a quarterly request (a “Quarterly Fee Application”) for interim Court approval and allowance of the Monthly Fee Applications filed during the quarter covered by that Quarterly Fee Application. If the Court grants the relief requested by the Quarterly Fee Application, the Debtors are authorized and directed to pay the professional 100% of the fees and expenses requested in the Monthly Fee Applications covered by that Quarterly Fee Application less any amounts previously paid in connection with the Monthly Fee Applications. Any payment made pursuant to the Monthly Fee Applications or a Quarterly Fee Application is subject to final approval of all fees and expenses at a hearing on the professional’s final fee application.

5. This Quarterly Fee Application, which is submitted in accordance with the Amended Interim Compensation Order, is the Fortieth Quarterly Fee Application for compensation for services rendered that K&E has filed with the Bankruptcy Court in connection

with the Chapter 11 Cases, and covers the Fee Period of January 1, 2011, through March 31, 2011.

6. K&E has filed the following Monthly Fee Applications for interim compensation during this Fee Period:

- a. Summary Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel to W. R. Grace & Co., *et al.*, for the Monthly Interim Period from January 1, 2011, through January 31, 2011, filed March 15, 2011, (the "January Fee Application") attached hereto as Exhibit A;
- b. Summary Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel to W. R. Grace & Co., *et al.*, for the Monthly Interim Period from February 1, 2011, through February 28, 2011, filed April 8, 2011, (the "February Fee Application") attached hereto as Exhibit B; and
- c. Summary Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel to W. R. Grace & Co., *et al.*, for the Monthly Interim Period from March 1, 2011, through March 31, 2011, filed April 28, 2011, (the "March Fee Application") attached hereto as Exhibit C (collectively, the January Fee Application, the February Fee Application and the March Fee Application are the "Applications").

7. The periods for objecting to the fees and expense reimbursement requested in the January Fee Application and the February Fee Application passed without any objections being filed, whereupon K&E filed certificates of no objection with the Court and the Debtors have either paid or will pay interim compensation and reimbursement of 80% of the fees and 100% of the expenses requested. The objection deadline for the March Fee Application expires on May 18, 2011.

8. K&E has advised and represented the Debtors in connection with the operation of their businesses and other matters arising in the performance of their duties as a debtors-in-possession during the period covered by the Fortieth Quarterly Fee Application. Furthermore, K&E has prepared various pleadings, motions and other papers submitted to this

Court for consideration, has appeared before this Court during hearings regarding these cases and has performed various other professional services that are described in the Applications.

Previous Quarterly Fee Applications

9. K&E has previously filed the following Quarterly Fee Applications:
 - a. First Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 2, 2001 through June 30, 2001, filed August 2, 2001, (the “First Quarterly Fee Application”);
 - b. Second Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2001 through September 30, 2001, filed November 7, 2001, (the “Second Quarterly Fee Application”);
 - c. Third Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2001 through December 31, 2001, filed February 7, 2002, (the “Third Quarterly Fee Application”);
 - d. Fourth Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2002 through March 31, 2002, filed June 10, 2002 (the “Fourth Quarterly Fee Application”);
 - e. Fifth Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2002 through June 30, 2002, filed September 30, 2002 (the “Fifth Quarterly Fee Application”);
 - f. Sixth Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2002 through September 30, 2002, filed November 27, 2002 (the “Sixth Quarterly Fee Application”);

- g. Seventh Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2002 through December 31, 2002, filed March 4, 2003 (the "Seventh Quarterly Fee Application");
- h. Eighth Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2003 through March 31, 2003, filed May 15, 2003 (the "Eighth Quarterly Fee Application");
- i. Ninth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2003 through June 30, 2003, filed August 27, 2003 (the "Ninth Quarterly Fee Application");
- j. Tenth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2003 through September 30, 2003, filed November 18, 2003 (the "Tenth Quarterly Fee Application");
- k. Eleventh Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2003 through December 31, 2003, filed February 25, 2004 (the "Eleventh Quarterly Fee Application");
- l. Twelfth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2004 through March 31, 2004, filed May 17, 2004 (the "Twelfth Quarterly Fee Application");
- m. Thirteenth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2004 through June 30, 2004, filed October 6, 2004 (the "Thirteenth Quarterly Fee Application");
- n. Fourteenth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2004 through September 30, 2004, filed November 17, 2004 (the "Fourteenth Quarterly Fee Application");

- o. Fifteenth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2004 through December 31, 2004, filed February 14, 2005 (the "Fifteenth Quarterly Fee Application");
- p. Sixteenth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2005 through March 31, 2005, filed June 15, 2005 (the "Sixteenth Quarterly Fee Application");
- q. Seventeenth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2005 through June 30, 2005, filed August 8, 2005 (the "Seventeenth Quarterly Fee Application");
- r. Eighteenth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2005 through September 30, 2005, filed October 28, 2005 (the "Eighteenth Quarterly Fee Application");
- s. Nineteenth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2005 through December 31, 2005, filed February 14, 2006 (the "Nineteenth Quarterly Fee Application");
- t. Twentieth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2006 through March 31, 2006, filed May 15, 2006 (the "Twentieth Quarterly Fee Application");
- u. Twenty-First Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2006 through June 30, 2006, filed August 14, 2006 (the "Twenty-First Quarterly Fee Application");

- v. Twenty-Second Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2006 through September 30, 2006, filed November 14, 2006 (the "Twenty-Second Quarterly Fee Application");
- w. Twenty-Third Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2006 through December 31, 2006, filed February 14, 2007 (the "Twenty-Third Quarterly Fee Application");
- x. Twenty-Fourth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2007 through March 31, 2007, filed May 15, 2007 (the "Twenty-Fourth Quarterly Fee Application");
- y. Twenty-Fifth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2007 through June 30, 2007, filed August 14, 2007 (the "Twenty-Fifth Quarterly Fee Application");
- z. Twenty-Sixth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2007 through September 30, 2007, filed November 14, 2007 (the "Twenty-Sixth Quarterly Fee Application");
- aa. Twenty-Seventh Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2007 through December 31, 2007, filed February 14, 2008 (the "Twenty-Seventh Quarterly Fee Application");
- bb. Twenty-Eighth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2008 through March 31, 2008, filed May 15, 2008 (the "Twenty-Eighth Quarterly Fee Application");
- cc. Twenty-Ninth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2008 through June 30, 2008, filed August 14, 2008 (the "Twenty-Ninth Quarterly Fee Application");

- dd. Thirtieth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2008 through September 30, 2008, filed November 14, 2008 (the "Thirtieth Quarterly Fee Application");
- ee. Thirty-First Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2008 through December 31, 2008, filed February 16, 2009 (the "Thirty-First Quarterly Fee Application");
- ff. Thirty-Second Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2009 through March 31, 2009, filed May 15, 2009 (the "Thirty-Second Quarterly Fee Application");
- gg. Thirty-Third Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2009 through June 30, 2009, filed August 28, 2009 (the "Thirty-Third Quarterly Fee Application");
- hh. Thirty-Fourth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2009 through September 30, 2009, filed December 9, 2009 (the "Thirty-Fourth Quarterly Fee Application");
- ii. Thirty-Fifth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2009 through December 31, 2009, filed February 23, 2010 (the "Thirty-Fifth Quarterly Fee Application");
- jj. Thirty-Sixth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from January 1, 2010 through March 31, 2010, filed June 23, 2010 (the "Thirty-Sixth Quarterly Fee Application");
- kk. Thirty-Seventh Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from April 1, 2010 through June 30, 2010, filed September 30, 2010 (the "Thirty-Seventh Quarterly Fee Application");

- ll. Thirty-Eighth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from July 1, 2010 through September, 2010, filed December 2, 2010 (the "Thirty-Eighth Quarterly Fee Application"); and
- mm. Thirty-Ninth Quarterly Interim Verified Application of Kirkland & Ellis LLP for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel for W. R. Grace & Co., *et al.*, for the Interim Period from October 1, 2010 through December, 2010, filed March 21, 2011 (the "Thirty-Ninth Quarterly Fee Application") (collectively, the First through the Thirty-Ninth Quarterly Fee Applications are the "Quarterly Applications").

10. There have been no objections filed with respect to the Quarterly Applications. K&E has filed certificates of no objection with respect to each of the three monthly Fee Applications related to each of the above-listed Quarterly Applications and the Debtors have paid, or will pay, in each case, 100% of the compensation requested for fees and reimbursed 100% of the expenses requested in the First through Thirty-Ninth Quarterly Fee Applications (less certain fees and expenses disallowed by the Court). The First, Second, Third and Fifth Quarterly Fee Applications were heard on November 25, 2002, and orders were entered on November 29, 2002, granting interim compensation and reimbursement for the First, Second, Third and Fifth Quarterly Fee Applications. The Fourth Quarterly Fee Application was heard on August 26, 2002, and an order was entered on October 9, 2002, granting interim compensation and reimbursement of expenses requested in the Fourth Quarterly Fee Application. An order was entered on March 14, 2003, granting interim compensation and reimbursement of expenses requested in the Sixth Quarterly Fee Application. The Seventh Quarterly Fee Application was heard on June 17, 2003, and an order was entered on July 28, 2003, granting interim compensation and reimbursement of expenses requested in the Seventh Quarterly Fee Application. The Eighth Quarterly Fee Application was heard on September 22, 2003, and an order was entered on September 22, 2003, granting interim compensation and reimbursement of

expenses requested in the Eighth Quarterly Fee Application. The Ninth Quarterly Fee Application was heard on December 15, 2003, and an order was entered on December 15, 2003², granting interim compensation and reimbursement of expenses requested in the Ninth Quarterly Fee Application. The Tenth Quarterly Fee Application was heard on March 22, 2004, and an order was entered on April 26, 2004 granting interim compensation and reimbursement of expenses requested in the Tenth Quarterly Fee Application. An order was entered on June 16, 2004, granting interim compensation and reimbursement of expenses requested in The Eleventh Quarterly Fee Application. The Twelfth Quarterly Fee Application was heard on September 27, 2004, and an order was entered on September 27, 2004 granting interim compensation and reimbursement of expenses requested in the Twelfth Quarterly Fee Application. The Thirteenth Quarterly Fee Application was heard on December 20, 2004, and an order was entered on January 26, 2005 granting interim compensation and reimbursement of expenses requested in the Thirteenth Quarterly Fee Application. The Fourteenth Quarterly Fee Application was heard on March 21, 2005, and an order was entered on March 22, 2005 granting interim compensation and reimbursement of expenses requested in the Fourteenth Quarterly Fee Application. The Fifteenth Quarterly Fee Application was heard on June 27, 2005, and an order was entered on June 29, 2005 granting interim compensation and reimbursement of expenses requested in the Fifteenth Quarterly Fee Application. The Sixteenth Quarterly Fee Application was heard on September 26, 2005, and an order was entered on September 26, 2005 granting interim compensation and reimbursement of expenses requested in the Sixteenth Quarterly Fee Application. The Seventeenth Quarterly Fee Application was heard on December 19, 2005, and

² An amended order correcting certain information on the Exhibit was entered on December 19, 2003.

an order was entered on December 19, 2005, granting interim compensation and reimbursement of expenses requested in the Seventeenth Quarterly Fee Application. The Eighteenth Quarterly Fee Application was heard on March 27, 2006, and an order was entered on March 27, 2006, granting interim compensation and reimbursement of expenses requested in the Eighteenth Quarterly Fee Application. An order was entered on June 16, 2006, granting interim compensation and reimbursement of expenses requested in the Nineteenth Quarterly Fee Application. The Twentieth Quarterly Fee Application was heard on September 25, 2006, and an order was entered on September 25, 2006, granting interim compensation and reimbursement of expenses requested in the Twentieth Quarterly Fee Application. The Twenty-First Quarterly Fee Application was heard on December 18, 2006, and an order was entered on December 18, 2006, granting interim compensation and reimbursement of expenses requested in the Twenty-First Quarterly Fee Application. An order was entered on March 30, 2007, and an amended order was entered on May 3, 2007, granting interim compensation and reimbursement of expenses requested in the Twenty-Second Quarterly Fee Application. An order was entered on June 20, 2007, granting interim compensation and reimbursement of expenses requested in the Twenty-Third Quarterly Fee Application. The Twenty-Fourth Quarterly Fee Application was heard on September 24, 2007, and an order was entered on September 24, 2007, granting interim compensation and reimbursement of expenses requested in the Twenty-Fourth Quarterly Fee Application. An order was entered on December 13, 2007, granting interim compensation and reimbursement of expenses requested in the Twenty-Fifth Quarterly Fee Application. An order was entered on March 12, 2008, granting interim compensation and reimbursement of expenses requested in the Twenty-Sixth Quarterly Fee Application. The Twenty-Seventh Quarterly Fee Application was heard on June 23, 2008, and an order was entered on June 23, 2008, granting

interim compensation and reimbursement of expenses requested in the Twenty-Seventh Quarterly Fee Application. The Twenty-Eighth Quarterly Fee Application was heard on September 29, 2008, and an order was entered on October 1, 2008, granting interim compensation and reimbursement of expenses requested in the Twenty-Eighth Quarterly Fee Application. The Twenty-Ninth Quarterly Fee Application was heard on December 15, 2008, and an order was entered on December 17, 2008, granting interim compensation and reimbursement of expenses requested in the Twenty-Ninth Quarterly Fee Application. The Thirtieth Quarterly Fee Application was heard on April 1, 2009, and an order was entered on April 1, 2009, granting interim compensation and reimbursement of expenses requested in the Thirtieth Quarterly Fee Application. An order was entered on July 7, 2009, granting interim compensation and reimbursement of expenses requested in the Thirty-First Quarterly Fee Application. An order was entered on September 28, 2009, granting interim compensation and reimbursement of expenses requested in the Thirty-Second Quarterly Fee Application. An order was entered on December 11, 2009, granting interim compensation and reimbursement of expenses requested in the Thirty-Third Quarterly Fee Application. An order was entered on March 19, 2010, granting interim compensation and reimbursement of expenses requested in the Thirty-Fourth Quarterly Fee Application. A revised order was entered on June 7, 2010, granting interim compensation and reimbursement of expenses requested in the Thirty-Fifth Quarterly Fee Application. An order was entered on September 13, 2010, granting interim compensation and reimbursement of expenses requested in the Thirty-Sixth Quarterly Fee Application. An order was entered on December 10, 2010, granting interim compensation and reimbursement of expenses requested in the Thirty-Seventh Quarterly Fee Application. An order was entered on March 25, 2011, granting interim compensation and reimbursement of expenses requested in the

Thirty-Eighth Quarterly Fee Application. The hearing for the Thirty-Ninth Quarterly Fee Application is scheduled for June 20, 2011. The hearing for the Fortieth Quarterly Fee Application is scheduled for September 26, 2011.

Requested Relief

11. By this Fortieth Quarterly Fee Application, K&E requests that the Court approve the interim allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by K&E for the Fee Period as detailed in the Applications, less any amounts previously paid to K&E pursuant to the Applications and the procedures set forth in the Amended Interim Compensation Order. As stated above, the full scope of services provided and the related expenses incurred are fully described in the Applications, which are attached hereto as Exhibits A through C.

Disinterestedness

12. As disclosed in the following affidavits:
 - a. Affidavit of James H.M. Sprayregen in Support of Application for Order Under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014(a) Authorizing the Employment and Retention of Kirkland & Ellis as Attorneys for the Debtors and Debtors in Possession (the “Original Affidavit”), filed April 2, 2001;
 - b. First Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 (the “First Supplement”), filed April 17, 2001;
 - c. Second Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 (the “Second Supplement”), filed May 2, 2001;
 - d. Third Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 (the “Third Supplement”), filed July 25, 2001;
 - e. Fourth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 (the “Fourth Supplement”), filed September 13, 2001;

- f. Fifth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 (the “Fifth Supplement”), filed October 24, 2001;
- g. Sixth Supplemental Affidavit of James H.M. Sprayregen under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 (the “Sixth Supplement”), filed November 13, 2001;
- h. Seventh Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 (the “Seventh Supplement”), filed April 11, 2002;
- i. Eighth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. § 327(a) and Fed R. Bankr. P. 2014 (the “Eighth Supplement”), filed May 23, 2002;
- j. Ninth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. § 327(a) and Fed R. Bankr. P. 2014 (the “Ninth Supplement”), filed July 19, 2002;
- k. Tenth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Tenth Supplement”), filed September 18, 2002;
- l. Eleventh Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Eleventh Supplement”), filed March 11, 2003;
- m. Twelfth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twelfth Supplement”), filed September 20, 2004;
- n. Amendment to the Twelfth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C Section 327(a) and Fed. R. Bankr. P. 2014 (the “Amended Twelfth Supplement”), filed December 2, 2004;
- o. Thirteenth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C Section 327(a) and Fed. R. Bankr. P. 2014 (the “Thirteenth Supplement”), filed February 10, 2005;
- p. Fourteenth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C Section 327(a) and Fed. R. Bankr. P. 2014 (the “Fourteenth Supplement”), filed June 14, 2005;
- q. Fifteenth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Fifteenth Supplement”), filed December 12, 2005;

- r. Sixteenth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Sixteenth Supplement”), filed March 20, 2006;
- s. Seventeenth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Seventeenth Supplement”), filed April 17, 2006;
- t. Eighteenth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Eighteenth Supplemental”), filed May 22, 2006;
- u. Nineteenth Supplemental Affidavit of James H.M. Sprayregen Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Nineteenth Supplemental”), filed June 23, 2006;
- v. Twentieth Supplemental Affidavit of Richard M. Cieri Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twentieth Supplemental”), filed October 23, 2006;
- w. Twenty-First Supplemental Affidavit of Theodore L. Freedman Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twenty-First Supplemental”), filed April 9, 2007;
- x. Twenty-Second Supplemental Affidavit of Theodore L. Freedman Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twenty-Second Supplemental”), filed November 1, 2007;
- y. Twenty-Third Supplemental Affidavit of Theodore L. Freedman Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twenty-Third Supplemental”), filed May 14, 2008;
- z. Twenty-Fourth Supplemental Affidavit of Theodore L. Freedman Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twenty-Fourth Supplemental”), filed June 13, 2008;
- aa. Twenty-Fifth Supplemental Affidavit of Theodore L. Freedman Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twenty-Fifth Supplemental”), filed January 21, 2009;
- bb. Twenty-Sixth Supplemental Affidavit of Disinterestedness Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twenty-Sixth Supplemental”), filed July 22, 2010; and

cc. Twenty-Seventh Supplemental Affidavit of Disinterestedness Under 11 U.S.C. Section 327(a) and Fed. R. Bankr. P. 2014 (the “Twenty-Seventh Supplemental”) (collectively, the Original Affidavit and the First through the Twenty-Seventh Supplements are the “Affidavits”), filed February 4, 2011.

K&E does not hold or represent any interest adverse to the estates, and has been, at all relevant times, a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code.

13. K&E may have in the past represented, may currently represent, and likely in the future will represent parties-in-interest in connection with matters unrelated to the Debtors and the Chapter 11 Cases. K&E disclosed in the Affidavits its connections to parties-in-interest that it has been able to ascertain using its reasonable efforts. K&E will update the Affidavits when necessary and when K&E becomes aware of material new information.

REPRESENTATIONS

14. K&E believes that the Fortieth Quarterly Fee Application complies with the requirements of Del. Bankr. LR 2016-2 and the Amended Interim Compensation Order.

15. K&E performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates, and not on behalf of any committee, creditor or other person.

16. During the Fee Period, K&E has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these Chapter 11 Cases other than the interim compensation payments pursuant to the Amended Interim Compensation Order.

17. Pursuant to Fed. R. Bank. P. 2016(b), K&E has not shared, nor has agreed to share, (a) any compensation it has received or may receive with another party or person other than with the partners, counsel and associates of K&E, or (b) any compensation another person or party has received or may receive in connection with the Chapter 11 Cases.

WHEREFORE, K&E respectfully requests that the Court enter an order providing that (a) for the Fee Period, January 1, 2011, through March 31, 2011, an administrative allowance be made to K&E in the sum of (i) \$1,419,734.00 as compensation for reasonable and necessary professional services rendered to the Debtors and (ii) \$40,150.39 for reimbursement of actual and necessary costs and expenses incurred, for a total of \$1,459,884.39; (b) the Debtors be authorized and directed to pay to K&E the outstanding amount of such sums less any sums previously paid to K&E pursuant to the Applications and the procedures set forth in the Amended Interim Compensation Order and (c) this Court grant such further relief as is equitable and just.

Dated: May 16, 2011

Respectfully submitted,

/s/ Adam C. Paul
John Donley
Adam C. Paul
Kirkland & Ellis LLP
300 N. LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
W. R. GRACE & CO., et al.¹)
Debtors.) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
)

VERIFICATION

STATE OF ILLINOIS)
COUNTY OF COOK) ss.
)

Adam C. Paul, after being duly sworn according to law, deposes and says:

1. I am a partner with the applicant law firm Kirkland & Ellis LLP ("K&E"),

and have been admitted to appear before this Court.

2. I have personally performed many of the legal services rendered by K&E as counsel to the above-captioned debtors and debtors in possession (the "Debtors"), and I am familiar with the other work performed on behalf of the Debtors by the lawyers and paraprofessionals of K&E.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, and H-G Coal Company.

3. I have reviewed the foregoing Application, and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed the *Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware* and submit that the Application substantially complies with such rules.

APD

Adam C. Paul

SWORN AND SUBSCRIBED
before me this 16th day of May, 2011

Joanne Harms
Notary Public
My Commission Expires:

